

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Telecommunications Carriers Eligible)	WC Docket No. 09-197
for Universal Service Support)	
)	
TerraCom, Inc.)	
)	
Petition for Designation as a)	
Lifeline Broadband Provider)	
)	

**PETITION OF TERRACOM, INC. FOR
DESIGNATION AS A LIFELINE BROADBAND PROVIDER
ELIGIBLE TELECOMMUNICATIONS CARRIER**

Danielle Frappier
Davis Wright Tremaine LLP
1919 Pennsylvania Ave. NW, Suite 800
Washington, DC 20006

Counsel to TerraCom, Inc.

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SUMMARY

TerraCom, Inc. (“TerraCom”) hereby petitions the Commission for designation as a Lifeline Broadband Provider Eligible Telecommunications Carrier (“LBP ETC”), with streamlined consideration, in order to provide Lifeline-supported broadband internet access service (“BIAS”) in the tribal and non-tribal areas of several states and territories.

TerraCom has a long history of providing Lifeline-supported services and now heeds the Commission’s request to “ensure the availability of broadband service for low-income Americans.” TerraCom’s track record of innovation sets it apart as a nimble competitor in the marketplace with the experience to drive adoption of and advance technology. Furthermore, TerraCom understands that both affordable broadband access *and* digital literacy training are critical to further advance the Commission’s goal of broadband adoption in low-income communities. To that end, subsequent to its acquisition by Global Reconnect, Inc. (“GRI”), TerraCom will utilize its increased resources to devote time and energy to not only providing BIAS service to all low-income consumers, businesses, and community partners in the areas that it serves, but also to fostering broadband adoption and digital literacy.

Upon designation as a LBP ETC by the Commission, TerraCom will offer wireless BIAS services to qualifying low-income consumers, and certifies that it will comply with all Commission rules for LBP ETCs, including all applicable minimum service standards applicable to Lifeline support under the Commission’s revised Lifeline rules. Moreover, to protect the integrity of the Lifeline program and guard against waste, fraud, and abuse, TerraCom will comply with the revised rules regarding subscriber eligibility verification, certification and recordkeeping, and auditing requirements.

With a proven track record as wireless Lifeline provider, and a commitment to expand its services to increase “the availability of broadband service for low-income Americans,” TerraCom is an ideal candidate for LBP ETC designation under the Commission’s streamlined designation process.

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I. INTRODUCTION

TerraCom, Inc. (“TerraCom”), pursuant to Section 214(e)(6) of the Communications Act of 1934, as amended (“Act”),¹ and Sections 54.201 and 54.202 of the Commission’s rules,² by its undersigned counsel, respectfully submits this Petition for Designation as a Lifeline Broadband Provider Eligible Telecommunications Carrier (“LBP ETC”) for the sole purpose of qualifying for Lifeline support for the provision of broadband internet access service (“BIAS”) in the “Designated Service Area” as defined below.³ Designation of TerraCom as a LBP ETC will further the Commission’s overarching policy goals of “ensur[ing] the availability of broadband service for low-income Americans,”⁴ and “encourag[ing] market entry and increas[ing]

¹ 47 U.S.C. § 214(e)(6).

² 47 C.F.R. §§ 54.201, 54.202.

³ See *Wireline Competition Bureau Provides Guidance Regarding Designation as a Lifeline Broadband Provider and Lifeline Broadband Minimum Service Standards*, WC Docket No 11-42 et al., Public Notice, DA 16-1118, ¶ 11 (WCB Sept. 30, 2016) (“LBP Public Notice”).

⁴ See *Lifeline and Link Up Reform and Modernization et al.*, Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962, 3971, para. 29. (2016) (“2016 Lifeline Modernization Order”).

competition among Lifeline providers.”⁵ TerraCom requests LBP ETC designation in the tribal and non-tribal areas of: Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and the Virgin Islands (collectively the “Designated Service Area”).

Pursuant to the Commission’s *2016 Lifeline Modernization Order*,⁶ as discussed in more detail below, TerraCom satisfies the requirements for designation as an LBP ETC and is able and prepared to offer Lifeline-supported BIAS service throughout the Designated Service Area. TerraCom and its wholly owned subsidiary YourTel America, Inc. (“YourTel”) are two of the longest serving and most innovative ETCs serving both wireless and wireline subscribers. Accordingly, TerraCom is prepared to offer wireless BIAS services to qualifying low-income households in the Designated Service Area upon designation as a LBP ETC by the Commission. Moreover, TerraCom qualifies for expedited review and streamlined treatment of this petition under the *2016 Lifeline Modernization Order*.⁷ Grant of TerraCom’s request will clearly promote the public interest and particularly the Commission’s primary goal for the newly reformed, BIAS-centric Lifeline program by expanding “the availability of broadband service for low-income Americans.”⁸

⁵ See *id.* at 4040, para. 217.

⁶ *Id.* at 4066 para. 282.

⁷ *Id.* at 4065, paras. 277-78.

⁸ See *id.* at 3971, para. 29.

II. OVERVIEW

TerraCom is incorporated in the state of Oklahoma with principal offices located at 933 East Britton Road, Oklahoma City, OK 73114. TerraCom began offering BIAS services on February 27, 2013, enrolled its first data subscriber on March 20, 2013 and has offered BIAS service uninterrupted since that date. Not only will TerraCom offer its current BIAS service nationwide but it will use the knowledge gained from its past analysis of wireline BIAS opportunities which are in part contained in its 2010 BTOP application, “YourTel America Broadband For All,” to bring innovation and access to the Designated Service Area (at that time) in Missouri, Kansas and Oklahoma.

Furthermore, as envisioned in its 2010 BTOP application TerraCom plans to leverage its retail locations as Community Education Centers, a plan that was supported by the governors and congressional delegations of Oklahoma, Missouri and Kansas. By providing a community-based location where low-income consumers can receive digital literacy training, TerraCom will address one of the key “barriers to broadband adoption” as described in the *2016 Lifeline Modernization Order*.⁹

Both TerraCom and YourTel have historically served their entire communities, not just lifeline subscribers. With the increased resources of Global Reconnect, Inc. (“GRI”),¹⁰ TerraCom will be able to devote more time and energy to serving all low-income consumers, businesses, and community partners in its Designated Service Area. For example, TerraCom plans to conduct digital literacy workshops coupled with enrollment opportunities in the Lifeline Program for Federal Public Housing Assistance (“FPHA”) pre-qualified participants. TerraCom

⁹ *2016 Lifeline Modernization Order*, 31 FCC Rcd at 4086-87, para. 343.

¹⁰ See *Notice of Non-Streamlined Domestic Section 214 Application Granted*, Public Notice, WC Docket No. 16-268, DA 16-1265 (WCB Nov. 8, 2016) (“GRI Transfer of Control Approval”). TerraCom anticipates that this transaction will close in the very near term.

plans to complete all such activities while functioning within a coordinated and technology driven well-rounded compliance system that aims to provide effective oversight. Consequently, TerraCom is an ideal candidate for LBP ETC designation under the Commission’s streamlined designation process, because it seeks to not only provision BIAS to its Designated Service Area, but also provide the digital literacy training that is critical to ensure low-income consumers understand and appreciate the relevance of broadband in their lives.

III. TERRACOM, INC. MEETS THE REQUIREMENTS FOR LIFELINE BROADBAND PROVIDER ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION

As described below, TerraCom satisfies all of the statutory and regulatory requirements for designation as a LBP ETC in the proposed Designated Service Area, and has provided a discussion of each requirement below.

A. The FCC Has Authority to Grant the Requested Designation

In the *2016 Lifeline Modernization Order*, the Commission created “a unified, streamlined FCC ETC designation process for providers seeking to receive reimbursement for providing BIAS.”¹¹ The Commission further found that individual state designations for the LBP ETC designation “would thwart federal universal service goals and broadband competition,” and accordingly preempted such state designations.¹² TerraCom seeks to provide BIAS service to consumers throughout the proposed Designated Service Area. TerraCom is not subject to state ETC designation jurisdiction, and TerraCom may seek designation as a LBP ETC for the Designated Service Area directly from the Commission.¹³

¹¹ *Id.* at para. 239.

¹² *Id.* at para. 229.

¹³ *2016 Lifeline Modernization Order*, 31 FCC Rcd at 4044-4063, paras. 229-273.

B. This Petition Qualifies for Streamlined Treatment

Under section 54.202(d) of the Commission's revised Lifeline rules, a petition for LBP ETC designation qualifies for streamlined treatment if the provider: (1) serves at least 1,000 non-Lifeline customers with voice telephone service and/or BIAS at the time of the filing; and (2) has offered broadband services to the public for at least the two years preceding the filing, without interruption.¹⁴

TerraCom meets the requirements for 60-day streamlined LBP ETC designation. As described throughout this petition, TerraCom has provided, without interruption, wireless BIAS service to Lifeline and non-Lifeline subscribers since March 20, 2013. As of the date of this filing, more than 1,000 of its customers purchase non-Lifeline voice or BIAS services from TerraCom. Accordingly, TerraCom meets the Commission's criteria for receiving streamlined, 60-day "deemed granted" treatment of its LBP ETC application.¹⁵

C. TerraCom, Inc. Certifies That It Will Comply With the Service Requirements Applicable to Lifeline Support (47 C.F.R. § 54.202(a)(1))

In accordance with 47 C.F.R. § 54.202(a)(1)(i), TerraCom hereby certifies that it will comply with all the service requirements, including all applicable minimum service standards, applicable to Lifeline support under the Commission's revised rules.¹⁶

As described throughout this Petition, TerraCom currently provides BIAS service. At present, TerraCom offers wireless BIAS service with a data usage limit of 500 MB 3G and 4G speeds. TerraCom commits to providing compliant BIAS service to all qualified low-income consumers throughout its proposed Designated Service Area, even as the minimum service

¹⁴ 47 C.F.R. § 54.202(d)(1). *See* LBP Public Notice.

¹⁵ *See id.*

¹⁶ 47 C.F.R. § 54.202(a)(1)(i)

standards for qualifying BIAS evolve.¹⁷ TerraCom is confident through innovation and efficiency it can meet the aforementioned standards.

D. TerraCom, Inc. Will Remain Functional in Emergency Situations (47 C.F.R. § 54.202(a)(2))

In accordance with 47 C.F.R. § 54.202(a)(2), TerraCom certifies to remaining functional in emergency situations, and certifies that the network over which its BIAS service is provided is capable of remaining functional in such situations.¹⁸ TerraCom has demonstrated its ability to remain functional in emergency situations. Specifically, TerraCom has contracted with underlying wholesale providers that have a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and are capable of managing traffic spikes resulting from emergency situations as demonstrated throughout TerraCom's long history.

E. TerraCom, Inc. Will Satisfy Applicable Consumer Protection and Service Quality Standards (47 C.F.R. § 54.202(a)(3))

TerraCom certifies to continuing compliance with all applicable service quality standards and consumer protection rules.¹⁹ Specifically, TerraCom certifies that it will comply with all applicable state and federal consumer protection and service quality standards, that it understands its consumer protection obligations under the Communications Act and its implementing rules, including but not limited to any applicable rules regarding unjust or unreasonable practices, discrimination, and relevant enforcement provisions in the Act and the Commission's rules, and is prepared to comply with those obligations and any future amendments or additions thereto.²⁰

Further, TerraCom renews its commitment to compliance with the CTIA Code of Conduct.

¹⁷ See LBP Public Notice.

¹⁸ 47 C.F.R. § 54.202(a)(2); See LBP Public Notice.

¹⁹ 47 C.F.R. § 54.202(a)(3); See LBP Public Notice.

²⁰ See 47 U.S.C. §§ 201, 202, 206-209, 216-217, 222, 225, 251(a)(2), 255, 617, 619; 47 CFR §§ 1.80, 1.701-1.736, 6.3, 6.5, 6.9, 7.1, 7.5, 8.3, 8.5, 8.7, 8.9, 8.12-8.17, 14.20(c), 64.604-64.605.

F. TerraCom, Inc. Is Financially and Technically Capable of Providing Lifeline Service in Compliance with the Commission's Rules (47 C.F.R. § 54.202(a)(4))

TerraCom is financially and technically qualified to provide Lifeline-supported BIAS service in compliance with the Commission's rules, including the program's new minimum service standards, throughout the entire designated service area.²¹ The best predictor of future performance is past performance. TerraCom has been financially and technically capable of providing lifeline service in compliance with the commission's rules longer than most ETCs. TerraCom has stood the test of time during years of growth and challenge, and has maintained its commitment to the rules that govern this program throughout its history. TerraCom currently offers its BIAS services using the wireless networks of other carriers, but, uniquely, also has its own network capabilities (albeit limited) that have been invested in to offer a wide array of telecommunications services. Regardless of the technology TerraCom utilizes to provision Lifeline-supported BIAS service, it will remain financially and technically capable of providing such service as it has proven for over the past 14 years. TerraCom's wholly owned subsidiary, YourTel, was granted a certificate to provide basic local exchange service on April 12, 1999 by the Missouri Public Service Commission, and has been offering non-Lifeline wireline services to low income consumers ever since. Additionally, YourTel was granted the first ever competitive ETC designation on April 1, 2003, and has offered Lifeline- supported services since that time. Furthermore, the transfer of control of TerraCom to GRI will provide TerraCom with additional financial, technical, and managerial resources to further solidify its place in the broadband market.

²¹ 47 C.F.R. § 54.202(a)(4).

G. Terms and Conditions of TerraCom, Inc. Broadband Internet Access Service Plans (47 C.F.R. § 54.202(a)(6))

Upon designation as a LBP ETC, TerraCom plans to offer the following BIAS service plans for its Lifeline subscribers in the proposed Designated Service Area:²²

TerraCom currently offers, and will continue to offer on a larger scale, a Lifeline Base Plan that includes 500 MB of data as well as 1,000 minutes of voice and unlimited texts, after application of the broadband Lifeline subsidy, for eligible tribal residents. Within 60 days of the final closing of the GRI acquisition, TerraCom will offer 500 MB 3G and 4G of data as well as 500 voice minutes and unlimited texts. This plan will be free, after application of the broadband Lifeline subsidy, to eligible lifeline subscribers living outside tribal land. Complete terms and conditions can be found at <https://www.terracomwireless.com/terms.php>. Furthermore, TerraCom will continue to offer cost effective upgrades shown below:

UPGRADES	\$10.00	\$20.00	\$30.00
Voice Minutes	750	1,000	2,500
Texts	Unlimited	Unlimited	Unlimited
Data	100MB	1GB	2GB

H. TerraCom, Inc. Will Advertise the Availability of the Supported Service and the Charges Therefor Through Media of General Distribution (47 U.S.C. § 214(e)(1)(B); 47 C.F.R. § 54.201(d)(2))

TerraCom commits to advertise the availability and cost of its Lifeline BIAS service through media of general distribution.²³ TerraCom will comply with the advertising, marketing,

²² 47 C.F.R. § 54.202(a)(6).

²³ 47 U.S.C. § 214(e)(1)(B); 47 C.F.R. § 54.201(d)(2). As the *2016 Lifeline Modernization Order* explained, “media of general distribution” is any media reasonably calculated to reach the general public or, for a LBP, the specific audience that makes up the demographic for a particular service offering. For example, for a LBP partnering with a school to offer Lifeline-discounted BIAS to that school’s community, ‘media of general distribution’ may include flyers, newspaper advertisements, or local television advertisements in that school’s geographic area.”

and disclosure requirements set forth in 47 C.F.R. § 54.405.²⁴ Specifically, all of TerraCom’s print and other materials used to describe or enroll its subscribers in the Lifeline service offering will indicate, using easily understood language (1) that TerraCom’s low-income targeted service is a Lifeline service; (2) that Lifeline is a government assistance program; (3) that the service is non-transferable; (4) that only eligible consumers may enroll in the program; and (5) that the program is limited to one discount per household.

I. TerraCom, Inc. Will Comply with All Applicable ETC Obligations (47 U.S.C. § 214(e); 47 C.F.R. §§ 54.201, 54.202)

To protect the integrity of the Lifeline program and guard against waste, fraud, and abuse, TerraCom will comply with the Commission’s additional ETC obligations outlined in sections 54.201 and 54.202 as well as those contained in subpart E of Part 54 of the rules,²⁵ specifically including the rules regarding subscriber eligibility verification, certification and recordkeeping, and auditing requirements. With regard to eligibility verification, TerraCom will certify and recertify subscribers’ eligibility for the Lifeline program, including verifying and confirming subscribers’ eligibility, in full compliance with existing section 54.410 of the Commission’s rules until the Commission’s new National Verifier has been launched in the states encompassed in the Designated Service Area. Once the National Verifier is launched in any state within its Designated Service Area, TerraCom will enroll subscribers through the National Verifier pursuant to the new provisions of section 54.410 and in accordance with all enrollment guidance provided by the Commission or the Universal Service Administrative Company.

²⁴ 47 C.F.R. § 54.405.

²⁵ 47 U.S.C. § 214(e); 47 C.F.R. §§ 54.201, 54.202, 54.400 *et seq.*

IV. GRANTING TERRACOM, INC.'S PETITION FOR DESIGNATION AS A LIFELINE BROADBAND PROVIDER ELIGIBLE TELECOMMUNICATIONS CARRIER WILL SERVE THE PUBLIC INTEREST

Section 54.202(b) of the Commission's rules requires that before granting a petition for ETC designation, the Commission must find that grant of the designation would be in the public interest.²⁶ The Lifeline program serves to further the Act's goals of achieving "[q]uality services" offered at "just, reasonable, and affordable rates" for low-income consumers.²⁷ In finding that broadband is a supported service for purposes of the Lifeline program, the Commission determined that by expanding "the availability of broadband service for low-income Americans,"²⁸ an ETC is inherently acting in the public interest. Designation of TerraCom as a LBP ETC will serve the overall public interest, and will benefit low-income consumers in the Designated Service Area by provisioning high quality broadband service with no out-of-pocket cost to Lifeline subscribers.

There is little doubt that experience counts and TerraCom's long history and track record of innovation set it apart as a nimble competitor in the marketplace with the experience to drive adoption of and advance technology.

V. ANTI-DRUG ABUSE CERTIFICATION

TerraCom certifies that no party to this Petition is subject to a denial of federal benefits that includes Commission benefits pursuant to Section 5301 of the anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

²⁶ 47 C.F.R. § 54.202(b).

²⁷ 47 U.S.C. § 254(b)(1).

²⁸ See *Lifeline and Link Up Reform and Modernization et al.*, WC Docket Nos. 12-23, 11-42, 03-109, CC Docket No. 96-45, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, 6673-74, paras. 33-34 (2012) ("2012 Lifeline Reform Order").

VI. CONCLUSION

TerraCom certifies that its Petition for LBP ETC Designation fully satisfies the conditions set forth in the Communications Act, the Commission's rules pertaining to Lifeline, and the *2016 Lifeline Modernization Order*. Accordingly, TerraCom respectfully requests expeditious approval of its LBP ETC Designation Petition under the Commission's 60-day streamlined review process so that TerraCom may provide BIAS service to eligible low-income consumers in the Designated Service Area.

Respectfully submitted,



Danielle Frappier
DAVIS WRIGHT TREMAINE LLP
1919 Pennsylvania Avenue, NW
Suite 800
Washington, DC 20006-3401


Counsel to TerraCom, Inc.

December 14, 2016

CERTIFICATION OF TERRACOM, INC.

I, Dale Schmick, state that I am the Chief Operating Officer of TerraCom, Inc. ("Petitioner"); that I am authorized to make this Certification on behalf of Petitioner; that the foregoing filing was prepared under my direction and supervision; and that the statements made in the foregoing filing with respect to Petitioner are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief. Executed this 13 day of December, 2016.



Dale Schmick
TerraCom, Inc.